



November 6, 2014

Company name: Nitta Gelatin Inc.  
 Representative: Norimichi Soga, Representative Director and President  
 (Stock code: 4977; First Section of Tokyo Stock Exchange)  
 Contact: Tsuneo Sasaki, Director and Senior Managing Executive Officer  
 General Manager of General Administration Division  
 Tel: +81-72-949-5381

**Notice Concerning Difference in Consolidated Business Forecasts and Results  
 for the Six Months Ended September 30, 2014 and Revision of Consolidated  
 Business Forecasts for the Fiscal Year Ending March 31, 2015**

Nitta Gelatin Inc. hereby announces that, in light of the difference in business forecasts disclosed on May 9, 2014 for the six months ended September 30, 2014 and the results disclosed today for that period (from April 1, 2014 to September 30, 2014), and the recent performance trends, the Board of Directors resolved at a meeting on November 6, 2014 to revise the Group's consolidated business forecasts for the fiscal year ending March 31, 2015 (from April 1, 2014 to March 31, 2015). Details are as follows.

**1. Difference in business forecasts and results**

Difference in consolidated business forecasts and results for the six months ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Previous forecast (A)	18,000	800	800	500	¥27.21
Result (B)	16,146	270	533	372	¥20.27
Amount change (B - A)	(1,854)	(530)	(267)	(128)	—
% change	(10.3%)	(66.3%)	(33.4%)	(25.6%)	—
(Reference) Previous consolidated results (Six months ended September 30, 2013)	16,035	545	630	460	¥27.34

## 2. Revision of business forecasts

Revision of consolidated business forecasts for the fiscal year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Previous forecast (A)	36,500	1,800	1,900	1,200	¥65.31
Revised forecast (B)	32,400	600	700	500	¥27.21
Amount change (B - A)	(4,100)	(1,200)	(1,200)	(700)	—
% change	(11.2%)	(66.7%)	(63.2%)	(58.3%)	—
(Reference) Previous consolidated results (Year ended March 31, 2014)	32,814	955	1,115	665	¥37.90

## 3. Reasons for the difference and revision

In Japan, markups in the sales price of gelatin are expected to be implemented almost as planned, although timing for the implementation of the markups had been delayed. However, demand has declined for collagen peptide, food materials, and hot-melt adhesives in Japan. This is due in part to a prolonged fallback in the demand after it surged prior to a consumption tax increase, and sluggish consumption owing to unseasonable weather. Meanwhile, the start of operations at a peptide plant in the U.S. was delayed. Also, sales of new sealants (high-performance gaskets) developed by Nitta Gelatin have yet to reach the anticipated level. This is because efforts to gain procurement approval from customers have fallen behind schedule. In addition, procedures for liquidating Aibis Inc., a joint venture, were begun in September 2014 in order to reorganize the Group's domestic sales companies. Consequently, sales are expected to decline for the three months ending December 31, 2014 and beyond.

Overseas, collagen peptide sales have remained strong, but demand for capsule-use gelatin in the U.S. has diminished as a result of negative information on fish oil triggering a shrinkage in the market for nutritional supplements. Consequently, demand overseas for gelatin has softened, with sales volume falling more than planned and unit prices also in decline.

In addition to profits being down from sales plans going unmet as mentioned above, the earnings environment is expected to worsen with the price of raw materials for bovine gelatin remaining high, and as a result of rising energy costs in Japan.

The Group has done everything within its power to implement countermeasures under these circumstances. Nevertheless, Nitta Gelatin has decided to revise its consolidated business forecasts for the fiscal year ending March 31, 2015, in view of the gap between its forecasts and results for the six months ended September 30, 2014.

\* The business forecasts above were formulated based on information obtainable as of the announcement date of this press release. Various factors going forward may cause actual results to differ from the forecasts.